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**HOUSE BILL 980**

**46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003**

**INTRODUCED BY**

Ben Lujan

**AN ACT**

**RELATING TO STATE FUNDS; PROVIDING FOR AN ADDITIONAL TEMPORARY  
DISTRIBUTION FROM THE TOBACCO SETTLEMENT PERMANENT FUND;  
PROVIDING THAT THE TOBACCO SETTLEMENT PERMANENT FUND MAY, UNDER  
CERTAIN CIRCUMSTANCES, BE CONSIDERED A RESERVE FUND OF THE  
STATE; REQUIRING AN EXTRAORDINARY MAJORITY VOTE FOR FUTURE,  
ADDITIONAL APPROPRIATIONS OR DISTRIBUTIONS FROM THE TOBACCO  
SETTLEMENT PERMANENT FUND; DECLARING AN EMERGENCY.**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

**Section 1. Section 6-4-9 NMSA 1978 (being Laws 1999,  
Chapter 207, Section 1, as amended) is amended to read:**

**"6-4-9. TOBACCO SETTLEMENT PERMANENT FUND--INVESTMENT--  
DISTRIBUTION.--**

**A. The "tobacco settlement permanent fund" is  
created in the state treasury. The fund shall consist of money**

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1 distributed to the state pursuant to the master settlement  
2 agreement entered into between tobacco product manufacturers  
3 and various states, including New Mexico, and executed November  
4 23, 1998 or any money released to the state from a qualified  
5 escrow fund or otherwise paid to the state as authorized by the  
6 model statute, Sections 6-4-12 and 6-4-13 NMSA 1978, enacted  
7 pursuant to the master settlement agreement. Money in the fund  
8 shall be invested by the state investment officer as land grant  
9 permanent funds are invested pursuant to Chapter 6, Article 8  
10 NMSA 1978. Income from investment of the fund shall be  
11 credited to the fund. Money in the fund shall not be expended  
12 for any purpose, [~~but an annual distribution shall be made to~~  
13 ~~the tobacco settlement program fund in accordance with~~  
14 ~~Subsection B of this section]~~ except as provided in this  
15 section.

16 B. On July 1, 2003 and July 1, 2004, a distribution  
17 shall be made from the tobacco settlement permanent fund to the  
18 tobacco settlement program fund in an amount equal to one  
19 hundred percent of the total amount of money distributed to the  
20 tobacco settlement permanent fund in the immediately preceding  
21 fiscal year.

22 [~~B.~~] C. On July 1, [~~of fiscal year 2001]~~ 2005 and  
23 on July 1 of each [~~fiscal~~] year thereafter, an annual  
24 distribution shall be made from the tobacco settlement  
25 permanent fund to the tobacco settlement program fund of an

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1 amount equal to fifty percent of the total amount of money  
2 distributed to the tobacco settlement permanent fund in the  
3 immediately preceding fiscal year until that amount is less  
4 than an amount equal to four and seven-tenths percent of the  
5 average of the year-end market values of the tobacco settlement  
6 permanent fund for the immediately preceding five calendar  
7 years. Thereafter, the amount of the annual distribution shall  
8 be four and seven-tenths percent of the average of the year-end  
9 market values of the tobacco settlement permanent fund for the  
10 immediately preceding five calendar years.

11 D. The tobacco settlement permanent fund shall be  
12 considered a reserve fund of the state and, as a reserve fund,  
13 may be expended in the event that general fund balances,  
14 including all authorized revenues and transfers to the general  
15 fund and balances in the general fund operating reserve and the  
16 appropriation contingency fund are insufficient to meet the  
17 level of appropriations authorized from the general fund for a  
18 fiscal year. In that event, the legislature may authorize a  
19 transfer from the tobacco settlement permanent fund to the  
20 general fund but only in an amount necessary to meet general  
21 fund appropriations.

22 E. Except as provided in Subsections B, C and D of  
23 this section, no distributions or appropriations shall be made  
24 from the tobacco settlement permanent fund unless authorized by  
25 a law passed by a three-fourths' vote of each house of the

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legislature. "

Section 2. ~~EMERGENCY.~~ --It is necessary for the public peace, health and safety that this act take effect immediately.

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